

Matsushita Electric Industrial Co., Ltd.

CSS Interim License Organization
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CONFIDENTIAL

VIA E-mail or FAX

December 8, 1999

To : CSS Interim Licensees for
Content Provider,
Authoring Studio,
DVD Disc Replicator

Re : Confidential Notice of Keys renewal for DVD Disc

Dear CSS Interim Licensees.

CSS Interim License Organization are aware that our CSS system has apparently been compromised by a small group of hackers in Europe. We regard this as a serious incident and will work with Hollywood and others to take technical and other steps to ensure the protection of copyrighted materials from unauthorized copying. Matsushita Electric is also in touch with the major studios and with the major companies supplying DVD playback products, and is considering our legal options at the moment.

A small group of hackers in Europe compromised one of our Master Key by using the software decoder on market developed by Xing who is CSS Interim Licensee, and posted the CSS descrambling program called "DeCSS" on the Internet.

To avoid this worst situation, we have revoked Xing's Master Key under their consent on November 5, 1999. We are asking you to use the new secured Disc Key Set and the new Encrypted Title Keys in every time you publish the new DVD Disc. If you are using the previous keys repeatedly, we strongly recommend you to request us and use the new Secured Disc Key Set and the new Encrypted Title Keys.

Further, we have entrust the all operational matters regarding CSS Interim license to the agent named as DVD Copy Control Association, Inc.(DVD CCA) including Keys issue. They will



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start their activities on December 15, 1999. DVD CCA will become the ultimate CSS Licensing entity in near future.

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Their contact is;

Company : DVD Copy Control Association, Inc.
Address : 225B Cochrane Circle
Morgan Hill, CA 95037, USA
Phone : 408-776-2014
F A X : 408-779-9291
President : Mr. John Hoy
Website : <http://www.dvdcca.org>

For more details, please review this Web site.

Your kind understanding and cooperation in this matter is very much appreciated to us.

Sincerely yours.

Susumu Yamaguchi
Manager

CSS Interim License

Organization

CC: Bruce Turnbull, Esq./ Weil, Gotshal & Manges
Mr. T. Hosokawa / Corporate Legal Affairs Division / MEI
Mr. John Hoy / DVD Copy Control Association, Inc.